

The County is committed to providing Orange County residents with the highest quality programs and services as articulated in its mission statement. Supporting this mission statement is a series of **GUIDING PRINCIPLES** that frame how the County operates and prioritizes its resources.

- **RELY ON THE STRATEGIC FINANCIAL PLAN** to make day-to-day decisions that consistently move the County toward its long-term goals.
- **VALUE OUR WORKFORCE** to ensure that citizens are served by a professional and dedicated workforce.
- **ENHANCE TECHNOLOGY** for productivity and service delivery to use modern methods to reduce costs and improve services.
- **COMMUNICATE COUNTY PRIORITIES** to ensure that our employees and partners understand how the County is achieving its long-term goals.

The Annual Strategic Financial Plan is an integral part of the County's corporate management system. The corporate management system was implemented to assure an accountable, results oriented County government.

Orange County has developed and successfully implemented one of the most innovative long-range financial planning models in the municipal industry. The Strategic Financial Plan (the Plan) is the culmination of an intensive operational and financial planning process which involves the Board of Supervisors, County department heads, managers, staff and the public. The process identifies financial priorities, forecasts revenues and expenses, and develops a balanced five-year financial outlook.

The Plan requires a forecast of the Orange County economy as well as a five-year forecast of revenues and basic operating costs. The Plan's model then brings the various forecasts together, identifying surpluses or shortfalls over the five-year horizon. Surplus funds or new revenues not previously committed to programs can then be allocated for new or augmented projects known as Strategic Priorities.

Working within its financial constraints, the Board evaluates various potential funding scenarios and ultimately defines the County's financial course for the next five years. Since all of the Strategic Priorities cannot be supported and funded within the five-year timeframe, the County relies on several principles to guide how this limited pool of resources will be allocated:

- The County will not construct any facility that it cannot afford to operate;
- One-time revenues will be used for one-time expenses; and
- The County must demonstrate that baseline operations will continue into the foreseeable future.

*The annual Strategic Financial Plan achieves the following objectives:*

- *Provides a financial context for program and infrastructure decisions;*
- *Demonstrates the financial viability of the County over the next five years;*
- *Identifies funding availability for new Board priorities;*
- *Assures that facilities with on-going operating costs will have the revenues to support them; and*
- *Identifies potential financial challenges on the planning horizon and develops strategies to mitigate those challenges.*

